RICHARD RUSSELL'S **DOW THEORY LETTERS, INC.**

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January 26, 1977 **LETTER 687**

Jan. 14, DJIA 972.16; PTI 826; A-D Ratio –19.01
Jan. 21, DJIA 962.43; PTI 826; A-D Ratio –18.94

SLEEPING BULL: The Dow Industrial Average recorded its bull market high on September 21 at 1014.79. Not one in a thousand realizes what has subtly been occurring since. Here's the list:

Dec. 31: a new bull market high ("NBMH") for D-J 65 Stock Average at 325.49
Dec. 31: NBMH for NYSE Composite at 57.88
Dec. 31: NBMH for NYSE Financial Average at 59.23
Jan. 3: NBMH for D-J Transportation Average at 237.52
Jan. 3: NBMH for Standard & Poor's Rail Average at 15.36
Jan. 3: NBMH for S&P Utility Average at 54.29
Jan. 3: NBMH for the NYSE Advance-Decline ratio at -18.63
Jan. 6: NBMH for D-J 20 Bond Average at 93.37
Jan. 10: NBMH for my Primary Trend Index (composite of eight critical indices at 840.
Jan. 21: NBMH for D-J Utility Average at 109.57

Singly, in pairs and in triplets the indicators and Averages keep climbing up to new bull market highs. Ultimately, we're going to see the great majority of them push through the roof together. But one thing is certain, you don't see a steady technical parade of new highs (as above) during a bear market!

THE PICTURE: In Letter 682 I wrote a piece on page 1 entitled, "Timing Obsession." I stated that Wall Street was indulging in a timing freak-out: timing was the new fad of the year. Letter 682 added, "I don't think I've ever seen such a torrent of timing opinions as has arrived in my mails over the past few months. Almost everyone is now a 'timing expert,' and the reports all talk about the secondary trend, the daily trend, the weekly trend, or what have you. Calling every blip in the trend is now an obsession, and I doubt that it's going to do anyone any good."

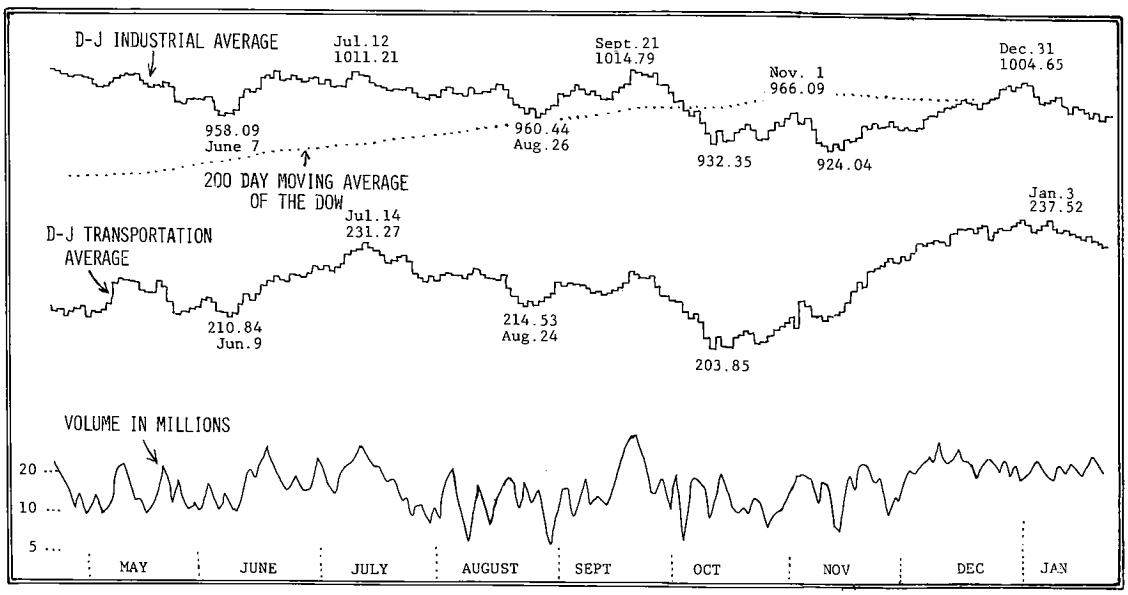
My sentiments regarding the still-continuing timing nutiness have not changed one iota since Letter 682. If anything, I am even more convinced of what I wrote in the timing piece. I now think that the big fooler for 1977 is going to entail the timing concept. I say this because when any fad takes over Wall Street (as timing now has), Wall Street sends its protagonists through the proverbial meat grinder.

I said this back in Letter 682, and I want to say it again. This is a primary bull market. That means that the tide is coming in, it's a long-term bullish situation, and values over the long term **will increase.** Of course there can be corrections, jiggles, blips and pops, but over the long-term the prices of things, stocks, stamps, coins, antiques, you name it, will move generally higher. And my gut feeling (intuition) is that the current obsession with timing and "beating the market" is going to prove a costly exercise in nonsense over the forseeable future.

Now don't get me wrong. I have spent many a sleepless night over the past 20 years worrying about timing. I've always insisted that riding out a bear market was a sure ticket to the cleaners and riding out a bull market was one way to riches. Richard Russell isn't a computer, but I seem to have a built-in "gut meter" that warns me when something is badly amiss in the canyons of Wall Street. Right now my gut meter is telling me that over-emphasis on timing is not going to work for investors during 1977. I might add ironically that the institutions have been ignoring timing for decades. They ignored timing right through the great bear collapse of 1973-74. But suddenly they've all become very timing-oriented. I think they're going to be wrong again.

My own inclination here is to *invest, re-invest and accumulate.* The fact is that this bull market has been stalling, based on the action of the major Averages, since February, 1976. Yet the breadth of the market, as I write this, is within a fraction of its bull market high. That's telling me that the great mass of stocks have been tending to advance, and that the average stockholder is probably doing fairly well right now.

Ever since December I've been saying that I was skeptical of the widely advertised "big market advance" slated for the opening months of 1977. I stated my disbelief in these Letters, and I stated it on the *Barron's* year-end panel (*Barron's*, Jan. 10, p.5). We're now well into January, and the bullish timers have (so far) been proven wrong. There's also a large and vocal group of bear timers, and they've been calling for everything from a big secondary correction to "a resumption of the 1966-74 bear

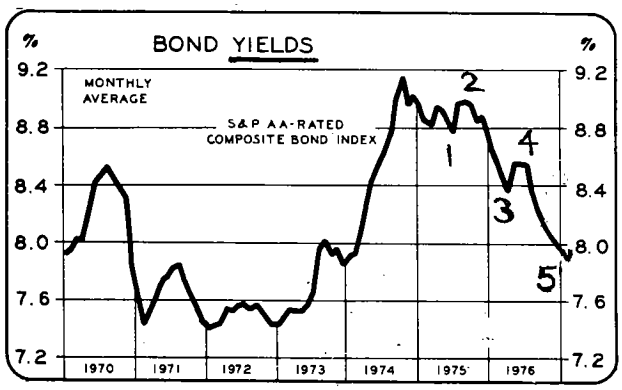


market." So far, the bears haven't had very much to go on either except weakness in selected Dow-type stocks (which doesn't exactly represent the end of the world).

So the policy I want to put forth in these reports is (1) investing in common stocks with our emphasis on **value** and **high yields.** (2) Investing in bonds and bond funds and reinvesting (compounding) the interest. (3) *Patience*, patience and more patience with an attitude of letting the **primary bull trend work for us through time.**

Question: Russell, I hear what you say, but I'm getting very worried about rising interest rates. Don't you think booming interest rates will kill off this bull market?

Answer: No, I think rising interest rates could temporarily *hold back* the primary bull trend, but the market will adjust to higher levels of interest rates in due time. People are still "spooked" by the shockingly high interest rates of 1970 and 1974, but I don't see them coming again in 1977. I am up-dating a chart of bond yields which I included in the December 1st Letter. I noted at the time that interest rates on a long term basis were heading down, but that the decline in interest rates was becoming climactic. I based this on my Elliott reading of the chart, showing the interest rate decline in the 5-wave of a typical Elliott 1-2-3-4-5 pattern.



Following the conclusion of the 5-leg, and I think we are there, we should have a normal upward correction. This correction will serve to increase interest rates. In fact, we could see Aa-rated bond yields rise from the current 7.9% to about 8.4% (at about point 3 on the chart pattern). After that I expect interest rates to decline again–to new lows. Nevertheless, rising interest rates could make the market nervous during at least the first part of 1977, thus holding back the primary trend a while longer.

Question: How do you account for the disparity between the Dow-type stocks and the breadth? How can the market hold together with this disparity continuing?

Answer: We are seeing a very fascinating phenomenon here. Ironically (I've used that word "ironically" a lot in this Letter) the public tends to like the secondary, often under-valued stocks, while the institutions tend to like the big, safe blue chips. The fact is that the public has fared better during 1976-77 than the institutions. What we are seeing here is the institutions cutting down or bailing out of some of their "big stuff" which, in many cases, was fully valued and offered little on a yield basis. With no current big market for the Dow-type stocks, these issues have sunk back into the great "line formation" which has characterized the pattern of the Dow for over a year.

At the same time the public has been doing quite well with their second–line, "bargain-priced" numbers, stocks which in many cases are offering high yields and excellent values. I happen to know that many individuals are doing well, because I get letters every day saying just that. The fact is that investors who have been carefully accumulating good, second–line stocks have been having a good year.

There's no question about it, many companies such as Fuqua, Addressograph-Multi, Evans Products, Consolidated Foods, etc., have now definitely turned the corner and are showing real profits. The daily list of "dividend action" is showing five to a dozen *increases* almost every day. Even the banks (the mention of those idiots makes me angry) seem to have weathered their self-induced storm, and such stocks as Bankers Trust, Chemical Bank, Manufacturers Hanover, are at or near their highs and looking strong. If the NYC banks can climb out of the "bad loan mess" they created, you know it's got to be a bull market (the final proof would be Chase Manhattan hitting a new high for the year!).

Question: How does the market look to you from a *Dow Theory* standpoint?

Answer: Well, first I want to talk about the psychological *phase* we are now in. Investors generally pay far too much attention to price movement and *far too little to the phase*. We are now in the **second phase** of the bull market, and we have been in this phase since December, 1975. This is the phase in which the market moves generally but often erratically higher, based on improving conditions for business and a gradually brightening picture for corporate profits. So far, this second phase is shaping up as a *long one*. It is being *extended* because of sluggish business, a change of Presidents, uncertainty over interest rates, inflation fears, and general skepticism regarding the future (based on the trauma of the recent past).

As for the price movement, Transports hit a 231.37 bull market high in July of 1976, while two months later, on September 21, Industrials recorded their own bull market high of 1014.79. A correction then took place. By October 11 Transports had dropped to a correction low of 203.85. But Industrials continued sliding, hitting their final correction low of 924.04 on November 10. A new rally then carried Transports to a January 3, bull market high of 237.52. The Dow failed to confirm, having halted its advance on December 31 at 1004.65. Both Averages turned down as the New Year opened.

The Averages are now floating about in what I term "secondary territory," that space between the bull market highs and the last secondary low points. It would not surprise me to see the Averages fluctuate in this area for some time to come. There is, of course, always the chance that the two Averages could retreat and break jointly below the 924.04 and 203.85 lows of October-November. If that occurs, I would take it as an extension of a secondary reaction.

The question might immediately be asked, "Wouldn't a breaking of the October-November lows constitute a bear signal?" My answer is no, because primary bear signals are only valid when they occur during the third or speculative phase of a bull market. And as I've been saying for months, we are still in the difficult second phase of this bull market.

From a Dow Theory standpoint it is of interest that the Transports are still retaining their superior relative strength characteristics compared with Industrials. As you can see from the page 1 chart, the Transports are almost 30 points above their 203.85

low of October. During any potential weakness, it would take a near-collapse on the part of Transports to drive them below their October low, and so far that kind of action has failed to appear in this market.

My opinion therefore is that even if the Industrials were to break below their November low, the Transports would not confirm. They just look too resilient to decline.

Another Dow Theory consideration is that the last time the D-J Averages were actually in gear on the upside was in mid-July, 1976. While it is true that we have had new solo highs since then, the latest being the 1014.79 Industrial high (Sept. 21) and the 237.52 Transport high (January 3), six months have elapsed since the Averages have been able to "get it together." This is a long time for a bull market to be wandering in limbo. But it also means that the bears have had six months to bring about serious trouble, and so far they have failed to shake the bull—even in a serious secondary sense.

I feel that time is slowly running out for the bears. Every passing week, every new month that fails to set off important, major trouble is another notch on the horns of the bull. Ultimately, if the market will not go importantly down, it will go importantly up. And the investors who are positioned in good stocks and bonds can sit, watch the action, collect their interest and dividends and wait patiently for the tide to come in.

Question: Russell, getting back to the *Barron's* interview I note that you said in the January 10 piece, "I'm afraid that I disagree with everything I've heard so far. What I see building is a sort of fooler. . . I suspect the Dow will again fail to go through 1014.79. We're getting very over-bought, but my guess is we'll see a reaction in the first quarter that is going to scare the devil out of everybody. . ." Would you go into that statement further?

Answer: OK, I felt that the *unanimity* of the standard forecast for 1977 was almost an absurdity. I felt that the "great market advance in early 1977" expectation had to be shattered. A Dow retreat in early 1977 would do the trick, and that's exactly what we have seen so far. I also think that a Dow retreat will bring about an equal-but-opposite reaction in Wall Street sentiment—towards too much pessimism. And that is what may be fomenting today. In the end, I believe that it will all be seen as a frustrating period for traders but a good one for investors.

Question: You keep talking about the three psychological phases of a bull market. But do you know what phase we're in?

Answer: This is a subject seldom discussed by market analysts, usually because they are (1) ignorant regarding market phases, and (2) they do not understand the importance of identification of bull market (and bear market) phases. The identification of a phase requires a certain amount of intuition, experience, artistry, knowledge and common sense. Whether I have any or all of these requirements I leave to my readers to judge. But it is my opinion that this bull market is **now in its second phase** (despite what many other analysts may say or write).

Remember, the phase has **nothing to do with price movement,** it has to do with the *psychology* of the market. Along these lines, I include two clippings from last week's *Wall Street Journal.* They both represent *typical second phase news items.* One article notes that corporations are still *conservative*, still building up cash, and of course this is very bullish for the long term health of the bull market. The second article deals with *disappointment*, because earnings refuse to boom (as so many hoped they would).

Cash Flood

Firms Spend Carefully, Pay Off Much Debt And Build Liquidity

Strengthened Balance Sheets May Slow Economy Now But Brighten the Future

Many Worries Cut Outlays

By RALPH E. WINTER
Staff Reporter of THE WALL STREET JOURNAL

"Cash is your best friend. It lets you run your business and your life without intimidation."

Many corporate officials these days appear to agree with that statement by Robert A. DePalma, vice president, finance, at Rockwell International Corp., the big Pittsburgh-based automotive, aerospace, electronic and industrial products concern.

From billion-dollar giants down to small family-held firms, many companies are using this period of prosperous uncertainty to continue to rebuild their financial strength. As a result, many corporations'

Bottom-Line Blues

For Many Companies, '76 Earnings Fall Short Of Great Expectations

Last Quarter of Some Firms Drops Below '75 Period; Cutting Back Inventories

This Year? Too Early to Say

By RALPH E. WINTER
Staff Reporter of THE WALL STREET JOURNAL

Disappointing news is on the way.

Many companies will report 1976 earnings significantly lower than was expected only a couple of months ago. The problem is that for quite a few concerns, the fourth quarter just didn't measure up to expectations, although most companies will report better profits for the fourth quarter than for the like period of 1975.

Already several disappointing earnings reports have come out. Companies as disparate as International Paper Co., a leading pulp and paper producer; Chessie System Inc., a big railroad holding company, and

But the point is that booming earnings and a willingness to expand and run liquidity down is typical of third phase enthusiasm, and I am very happy to note that it is **not** happening now. The last thing in the world this nation needs is a big capital goods boom and an explosion in corporate earnings. When those two phenomena appear (and ultimately they will), I'll probably be advocating a move to cash (or perhaps gold).

It all reminds me of the story of the seasoned investor who called his good friend, the president of a nearby steel company. "How're things, Jim?" he asked. The president assured him that "Business couldn't be better." The investor turned to his broker and said, "Sell out the steels." The surprised broker asked, "How come?" and the investor answered, "If things couldn't be better, then they can only get worse. So this is where I get off."

TECHNICAL COMMENTS: The accompanying chart shows the daily action of the Dow and my two foremost breadth measurements, the advance-decline ratio and the Primary Trend Index (PTI). The A-D ratio traces the advancing or declining tendencies of all NYSE issues. The PTI gauges the plus or minus impulses of 8 critical averages and indices.

The resistance shown by the A-D and the PTI is rather remarkable in the face of the correcting D-J Industrial Average. Obviously, *this kind of divergence cannot last.* If we are watching a mere "internal adjustment" in the market with money flowing out of selected high-yielding Dow stocks and into other under-valued NYSE issues, then I would expect (within a short period of time) the Dow to halt its decline and "get in gear" with the resistant A-D and PTI.

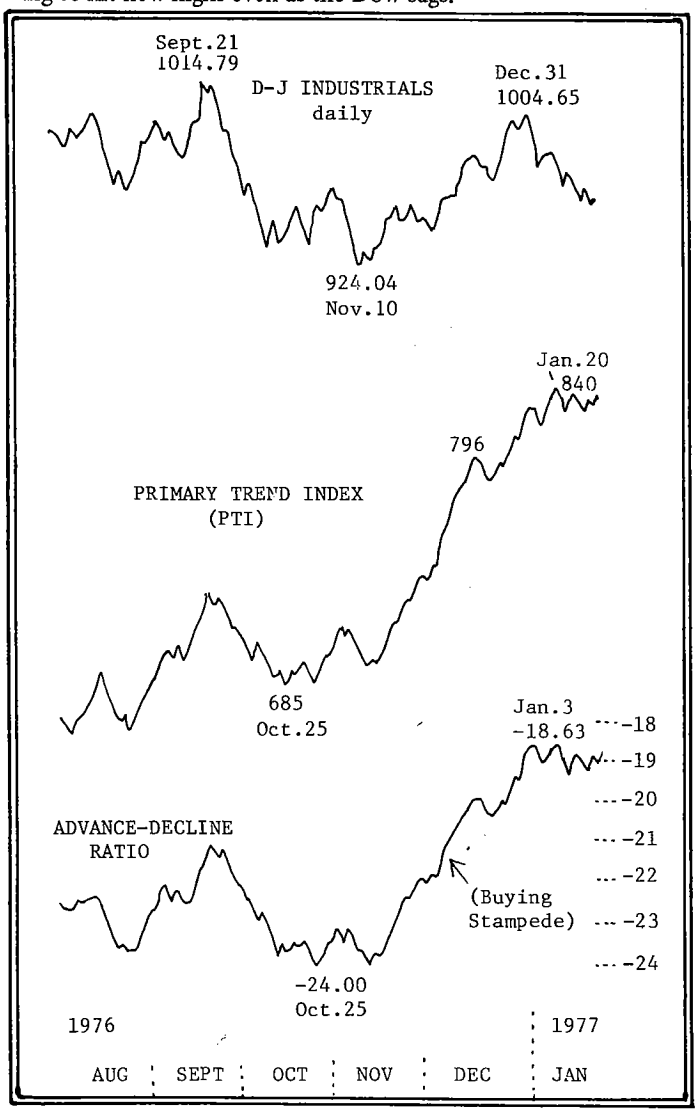
On the other hand, if the Dow is retreating for some reason that we do not know or understand, then the A-D and the PTI will shortly follow the Dow to lower levels.

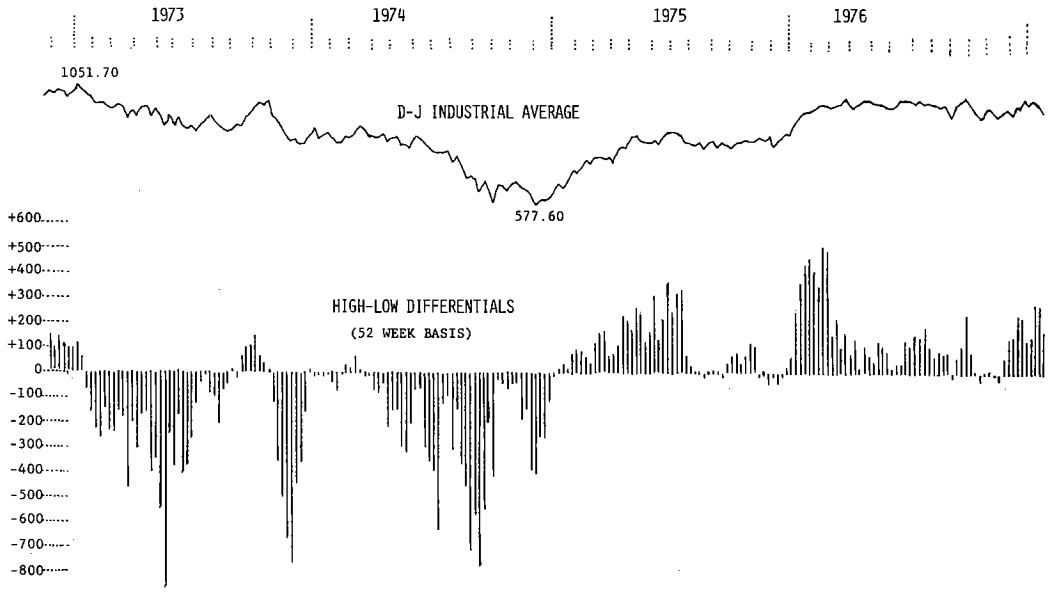
There have been times in the past in which the Dow and the A-D have diverged for extended periods, even months. But I have

never seen the Dow diverge very long against **both** the A-D and the PTI. Therefore, I would guess that we should have some kind of resolution of the divergence within a week or so.

At the time of this writing, the A-D ratio is approximately 3/4 of a point under its January 3 peak. But it has not yet given up a full point from the January high. Incredibly, this means that the "buying stampede" is still intact. I don't think I have ever seen this kind of strength in the A-D in the face of persistent weakness in the Dow.

Just as remarkable is the number of daily and weekly new highs. One argument against the usual new high figures is that they include all the preferred's. I keep a chart of the NYSE weekly high-low differential for *common stocks only*, and the story (see chart) is the same. This chart is based on the *M/G Financial* figures, which show new highs and lows on a running 52-week basis. As you can see, the high-low differential is still quite bullish, indicating that a large number of common stocks are continuing to hit new highs even as the Dow sags.





Question: Recently on Wall Street Week (TV program), I heard Lucian Hooper refer to stocks as a "store of value." Do you agree with him?

Answer: Not really, since a true store of value implies an *intrinsic worth*, based on history or the test of time. A real store of value may fluctuate in price from year to year, but it always retains some value. This is not necessarily true of the shares in a corporation. A number of stocks have acted like stores of value for decades. For instance, IBM has certainly acted like a store of value, and each share of IBM represents a percentage of ownership in one of the greatest companies in US history.

Yet, it is at least conceivable that some socialist government in the year 1984 or 2001 could dismantle IBM, change the corporate structure, outlaw profits, who knows what. You would then be holding a piece of paper called IBM.

This is not true of a Krugerrand, it is not true of a set of US Columbian stamps, it is not true of a painting by Renoir. Their prices may fluctuate, but they will be valuable as long as there is a civilization. The acid test is this: if you could opt to be born in the year 2050, what would you rather have, a good painting by Renoir, or a comparable value (based on today's prices) in IBM stock? I personally would feel safer with the Renoir. The US may well abolish capitalism or the corporation as we know it today, but they'll never abolish Renoir's genius, his place in art history. The intrinsic value of a Renoir is beyond dispute.

You may ask, "Then where does this leave stocks?" And my answer is that stocks are a great investment as long as they are (1) purchased advantageously, (2) offer an attractive return, and (3) offer a reasonable chance of either retaining their value or appreciating. All three of those criteria show themselves at or near a bear market bottom. None of these criteria apply at or near a bull market top.

VALUES, BONDS, STOCKS: Over the near term stock prices tend to reflect over-enthusiasm of over-pessimism. But the *long term* trend of prices is always *towards values*. I am including that fascinating (at least I think it's fascinating) chart of long term bond yields. What the chart does is put the bond market into historical *perspective*. And I might add that without perspective I don't think we can have the vaguest idea of what we're doing in the markets.

As a rule, bull and bear markets in bonds are much longer (in duration) than bull and bear markets in stocks. Remember, we are looking at **yields** on this chart, and yields are an inverse function of bond prices. As bonds rally, their yields go down. So let's follow a bit of bond history for a while. A 24 year bear market in bonds carried bond yields to the 8% level in the year 1800 down to 4.3% in 1834. This was followed by a 6 year bull market in bonds which carried yields back over the 6% level. A new bear market (1840-52) took yields back to 4%. The events prior and during the Civil War smashed the bond market down to where bond yields were in the 6.8% zone.

Next came the golden age of the railroad and non-inflationary prosperity. Bonds rose in a tremendous bull market which saw yields sink to 3.2% by 1900. A bear market during the 1900-1920 period brought bond yields back to 5.3%. But in 1920 a great new bull market sent bonds steadily higher (even through the Great Depression) and yields finally topped out in 1946 in the 2.4% area.

Since then we have seen (via the inroads of inflation) the greatest bear market in bonds since 1800. By 1974 high-grade corporate bonds were yielding over 9%. As such, they were providing values that were literally irresistible. As I stated over a year ago, a stock yielding 2% with a guaranteed 7% growth rate would be considered a great investment. YET high-grade bonds yielding a straight 9% (equal to 2% plus 7%) were going begging in 1974. I pointed in early 1975 to the "double bottom" in the Bond Average (1970 and 1974), and I stated that on both a value basis and on a technical basis, a great bear market had ended for bonds and a new primary bull market in bonds was underway.

I suggested that 50% or more of assets be placed in bonds or bond funds with the remainder in common stocks. Those who did load up with bonds are now showing profits of 10% to 15%, they are receiving yields of 8% and more, and they own great values which may be held for the long term.

If the current bull market in bonds brings yields (as shown on the chart) just halfway to their 1946 lows, the average yield on high-grade (Aaa rated) bonds could drop to 5.8% (from the current 7.65% level! That would be a shocker, it would generate great profits on private and institutional portfolios, and it would be very bullish for the stock market.

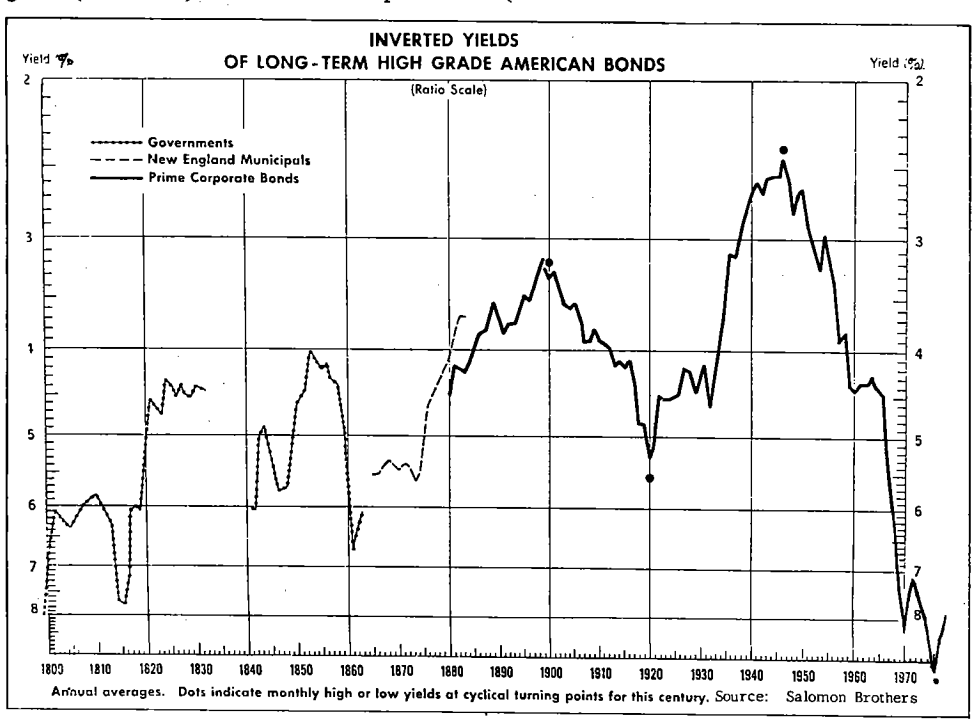
I have discussed on many occasions the critical relationship between stock and bond yields. I now want to call attention to the fantastic string of 27 consecutive plusses in "Will–Go" (Will-Go was invented by technician Larry Williams and so-named because whichever direction this indicator heads, the market eventually "will go."

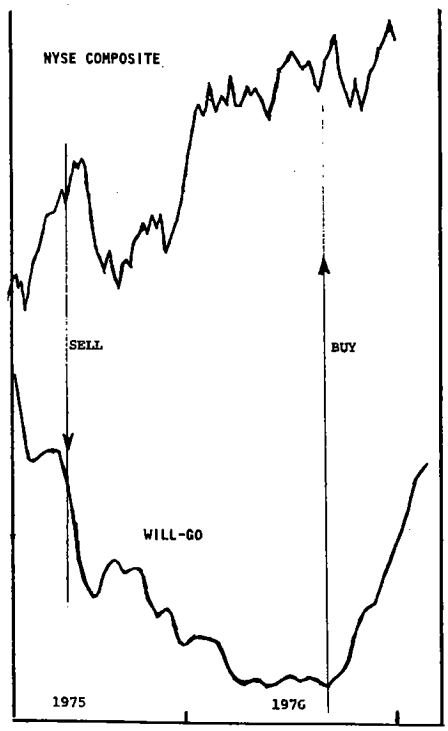
Will–Go's basic statistic is the spread between the Dow yield and the High-Grade bond yield (as shown weekly in *Barron's*. Each new figure is compared with the figure of 5 weeks ago, the difference is computed, then added (or subtracted) to a cumulative total. Very simply, Will–Go shows us the cumulative comparisons of stock and bond yields. Historically, Will–Go tends to lead the stock market by as much as 10 weeks.

The accompanying chart (courtesy of *Siramco Reports*, Pleasanton, CA 94566) shows the path of Will–Go and the NYSE Composite over the past few years. From early 1975 to the third quarter of 1976 Will–Go offered no encouragement to the stock market. But for the past 27 weeks Will–Go has been rising in a consecutive string of advances that has not been matched in the history of this indicator (going back 11 years). The chart is telling us that the stock-bond yield relationship has grown very constructive for the stock market.

LATE NOTES: I spent a good part of the weekend studying my charts and notes on the breadth-price relationship (i.e., A-D and the Dow). I also re-read a good deal of James Hughes' work on price and breadth. Here are my comments and conclusions. Buying stampedes virtually never come in the latter stages of a bull market. For instance there were no buying stampedes during 1928 and 1929, there were none in 1936-37, and there were none in 1965 or '66. Yet we have witnessed a buying stampede on the NYSE ever since the October 25, 1976 low. That should tell us something.

In the great majority of cases, following the termination of a buying stampede, both the A-D and the Dow have rallied to new highs prior to any major reaction. That too is a hopeful observation.





Movements such as the current one, in which the A-D acts outstandingly better than the Dow (i.e., with the A-D going to new bull market highs unconfirmed by the Dow) are never associated with primary bull market tops. They are sometimes associated with secondary corrections, but never with major tops.

The worst I see ahead (assuming that even this occurs) is a reaction which might take Industrials below their November 10 low of 924.04. In that event, the odds are heavy that the A-D Ratio (which is far above its October low) would NOT confirm. Such a non-confirmation could give rise to a primary advance in both the Dow and the A-D Ratio (and, of course, the majority of stocks). This is the type of non-confirmation, by the way, that was seen at the 1942 and the 1949 lows. Both breadth non-confirmations were followed by major bull markets.

To sum up, I believe that this market is currently undergoing a fundamental and technical digestion of the 1974-76 advance. The price-breadth relationship contains bullish technical implications (for the long-term).

The primary trend of the market remains bullish, while the secondary trend is now unclear. Patience is required, and our policy should be to "sit tight" with our investments. The buying stampede continues with the A-D Ratio down only about half a point from its bull market high. The Utility Average, often a lead indicator (since it is the highest investment-grade of the three Dow Averages), has been hitting new highs.

It would be well to remember that a strong A-D Ratio in the face of a weaker Dow has, in the past, been indicative of a build-up in technical strength. Where such action has given way to a reaction, the reaction low has proved to be the launching pad for major, often spectacular advances.

ITEMS: I wish every one of my subscribers would investigate the "living trust." I wish they could all understand the dangers of probate. The "Inflation Survival Letter" (6737 Annapolis Rd., PO Box 2599, Landover Hills, MD 20784) has a great article on this in their December 15, 1976 issue. Write to them and buy, borrow or beg a copy. It's absolutely "must" reading.

Since mentioning my mighty Mastiff dogs in Letter 660, I have had many requests for the name of a good Mastiff breeder. If you are ready for an outstanding, loveable, 200 pound canine guardian, I recommend Mrs. Olsen of *Willowledge Farms*, Haywood, Virginia. 22722.

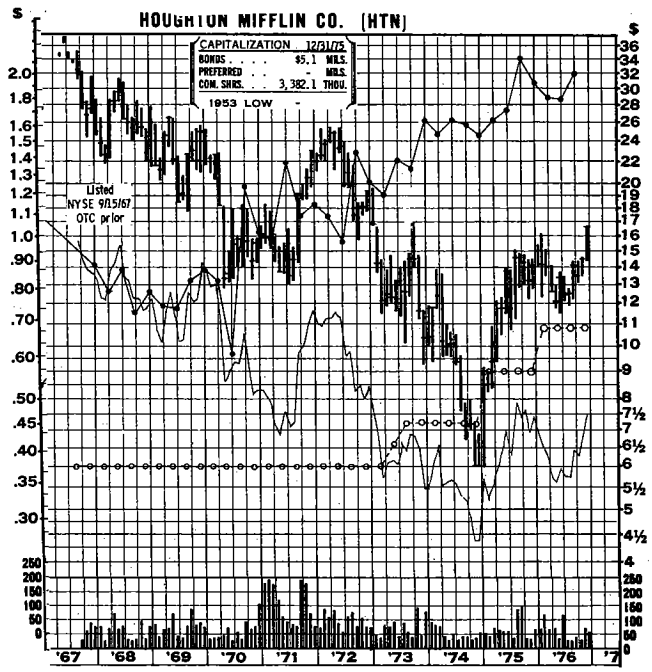
Alas, there are *only two* billionaires left in the US, John D. MacArthur and Daniel K. Ludwig. Getty and Hughes died last year, cutting the rarefied ranks of the billionaire in half. Maybe it's a sign of the times.

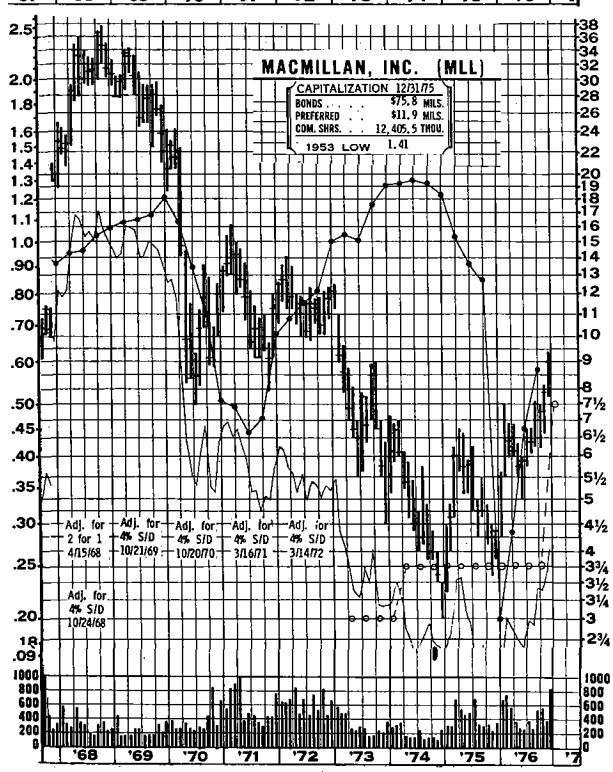
An ad in "Police Chief" magazine states, "Let your kid be the first one on the block with a police record." The ad then goes on to offer a Henry Mancini album of themes from cop shows. Advertising marches on.

I just received a letter and diagram from Mr. A. J. Frost. Frost is to my mind the greatest living interpreter of Elliott's Wave Principle (he wrote extensively on Elliott for the late, great Hamilton Bolton of Bank Credit Analyst fame). Frost sees the market now in the early part of major up-wave III of a primary bull market. Wave III looks to me as though it will be very substantial in both duration and extent. Wave III should be followed by a severe corrective wave (Wave IV), after which we should have major Wave V, the final speculative wave.

Revelation: A very bright La Jollan tells me that with new mini-computers, more and more businessmen are able to operate on a smaller inventory than heretofore was thought possible. Result–there may not be the kind of inventory build-ups we've seen in the past, and this may constitute a big source of "easement" in the money markets.

STOCKS: One group well worth watching (showing good relative strength) is Publishing. With the fast-food companies now one of the weaker groups, it makes me think that people are reading and (hopefully) thinking more, but eating less. ***McGraw-Hill*** was one of the first stocks I recommended in this bull market (at 5), it is now around 16 and I still like it. Two other big publishers, ***Houghton Mifflin*** and ***MacMillan*** show base patterns and should prove to be interesting holdings for the long term. Relative strength on these two stocks has turned up–after an 8 year drop. That means that the stocks are out-of-favor and that they should be good values. As you can see, MLL is still about 75% below its peak value and HTN is about half its peak value. (Charts courtesy of *Securities Research Company*, 200 Newbury Street, Boston, Mass 02116).


HOUGHTON MIFFLIN CO. (HTN)
CAPITALIZATION 12/31/75
BONDS . . . . $5.1 MILS.
PREFERRED . . - MILS.
COM. SHRS. . . 3,382.1 THOU.
1953 LOW -
Listed NYSE 9/15/67 OTC prior
'67 '68 '69 '70 '71 '72 '73 '74 '75 '76 '7


MACMILLAN, INC. (MLL)
CAPITALIZATION 12/31/75
BONDS . . . . $75.8 MILS.
PREFERRED . . $11.9 MILS.
COM. SHRS. . . 12,405.5 THOU.
1953 LOW 1.41
Adj. for 2 for 1 4/15/68
Adj. for 4% S/D 10/21/69
Adj. for 4% S/D 10/20/70
Adj. for 4% S/D 3/16/71
Adj. for 4% S/D 3/14/72
Adj. for 4% S/D 10/24/68
'68 '69 '70 '71 '72 '73 '74 '75 '76 '7

NEXT MAILING: February 4, 1977.